

DCM Shriram Consolidated Limited

Presentation and discussions

May, 2006

DSCCL: Introduction



SIR SHRIRAM
(FOUNDER)

MURLI DHAR

BHARAT RAM

CHARAT RAM

SHRI DHAR

Ajay

Vikram

Ajit

BANSI DHAR

- **DCM SHRIRAM INDUSTRIES.**
- Daurala Organics
- DCM Hyundai

Vinay/Vivek

- **DCM LTD.**
- DCM Financial Services
- DCM Benetton

Arun

- SRF

Siddharth/Deepak

- **SIEL**
- Jay Engg
- Usha International
- Shriram Pistons

- **DCM Shriram Consolidated Ltd.**
- SBGI/Bioseeds Ltd.(51%)
- DSCCL ESCO (100% subsidiary)

Independently managed with no cross-holdings

DSCCL: Introduction



- Highly cost efficient and integrated operations across energy intensive and agri businesses
- Premium market positioning and strong distribution network
- Financially robust: FY2006 revenues at Rs. 2540 crore, PAT at Rs 118 crore – 15 year PAT CAGR at 22%
- Strong operational and financial growth track record over last 16 years
- Robust processes and sound governance practices

Business model




Value + Business approach:
Value creation through multiple & integrated energy intensive businesses

Mapping the agri-opportunity in India:
Agri-inputs, outputs and services


Creating new businesses: Enhancing long term value

Integration, key to the business model

Energy intensive businesses



Value + Business approach:
Value creation through multiple and integrated energy intensive businesses



Creating new businesses: Enhancing long term value

- Chlor – Alkali
- PVC Resin and Compounds
- Calcium carbide
- Cement
 - Waste utilization




- Fenesta windows
 - Value added




Highly integrated operations

Working towards improving farmer profitability – supported by ~ 400 agronomists

- Output
 - Sugar
- Inputs
 - Manufactured
 - Urea
 - Hybrid Seeds
 - Pesticides
 - Merchandized
 - DAP / MOP / SSP / Soluble fertilizers / Micro nutrients
- Value added
 - Hariyali Kisaan Bazaar: Rural retailing
 - Agri-inputs
 - Agronomy services
 - Fuel
 - Consumer Products
 - Automotive
 - Credit
 - Contract farming
 - Pharmaceuticals



Mapping the agri-opportunity in India: Agri-inputs, outputs and services



Creating new businesses: Enhancing long term value



Manufacturing facilities – Kota



790 acre complex at Kota, Rajasthan

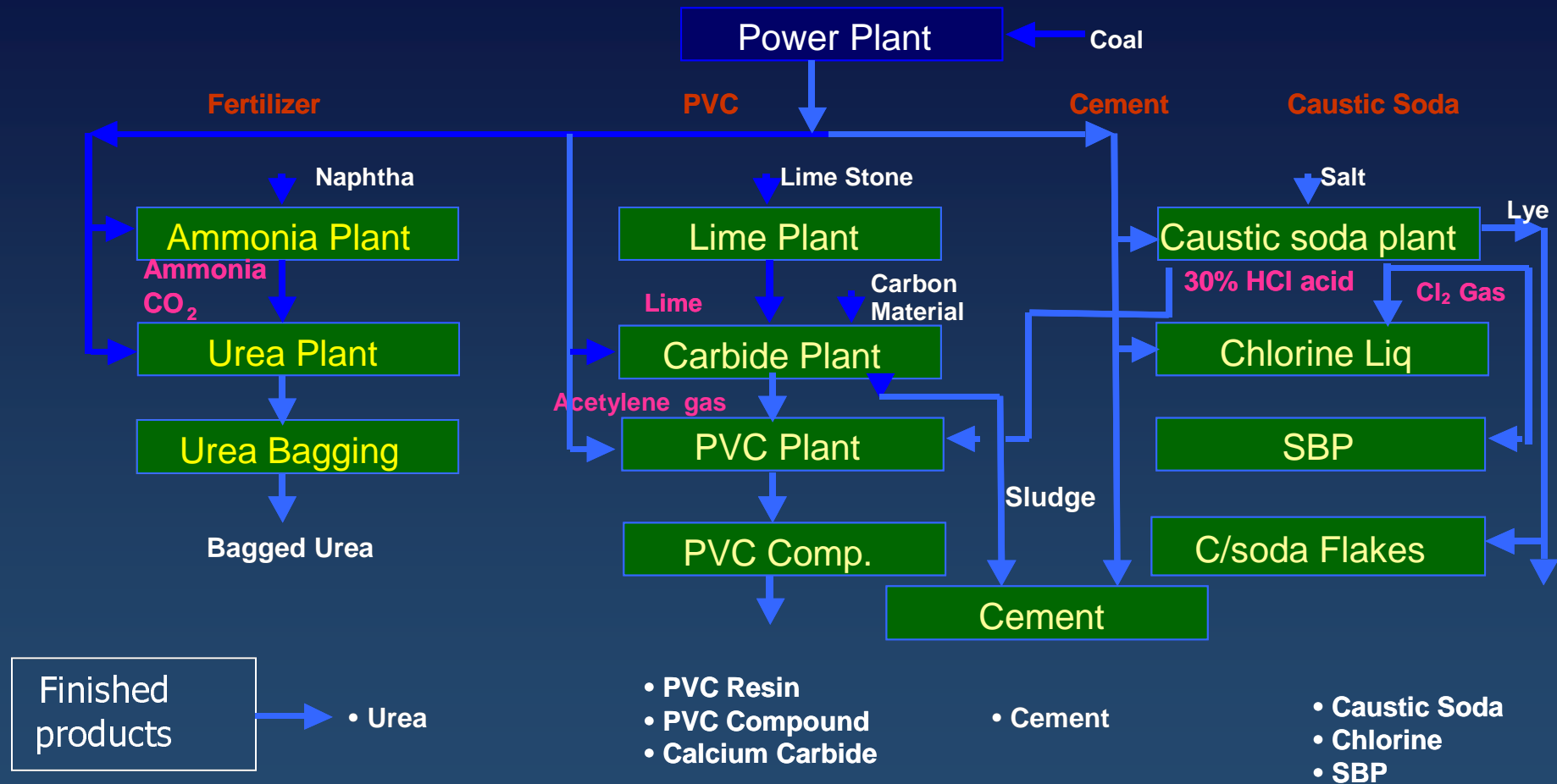
Manufacturing facilities – Kota

- Highly integrated operations
- Key product capacities:
 - Urea: 3,79,000 TPA
 - Chlor- Alkali: 1,08,500 TPA
 - SBP: 9,900 TPA
 - Calcium carbide: 108,500 TPA
 - PVC Resin: 61,250 TPA
 - Compounding: 23,400 TPA
 - Cement: 4,00,000 TPA
 - Fenesta windows: extrusion plant
 - Captive power – 125 MW



125 MW power generation facility – coal based

Value chain – Kota



Uniquely integrated facilities enabling fixed and variable cost advantages

Manufacturing facilities – Bharuch



Chlor-Alkali – 62,500 TPA
Power – 24 MW

Manufacturing facilities – Sugar

Location - Central U.P.

- Current operation – 2 mills
- Plans to establish 2 more mills
- Creating an inter-factory grid with large command area

• Capacity	Sugar	Power
Present	14000 TCD	24 MW
Post Expansion	33000 TCD	81 MW



DSCL Sugar plant - Ajbapur

Value Added Businesses



Unique concept

- UPVC windows under "Fenesta™" brand
- Design and product customization for Indian market
- Superior product profile – elegant looks, excellent insulation, weather enduring, exceptional sealing
- Complete service from design to installation
- Fabrication shops in 4 cities – close to consumers
- Sales & installation facilities in 7 cities



Fenesta windows in office room



French windows using Fenesta

Value Added Businesses



Distinctive model

- Improving farmers' prosperity – creating 'Trusted farmer relationships'
- Ownership model.
- One stop-shop for meeting multiple farmer needs
- Leveraging 4 decades of rural expertise
- 28 stores operational in 5 states.
- Leveraging technology – last mile delivery



External view of Hariyali Store

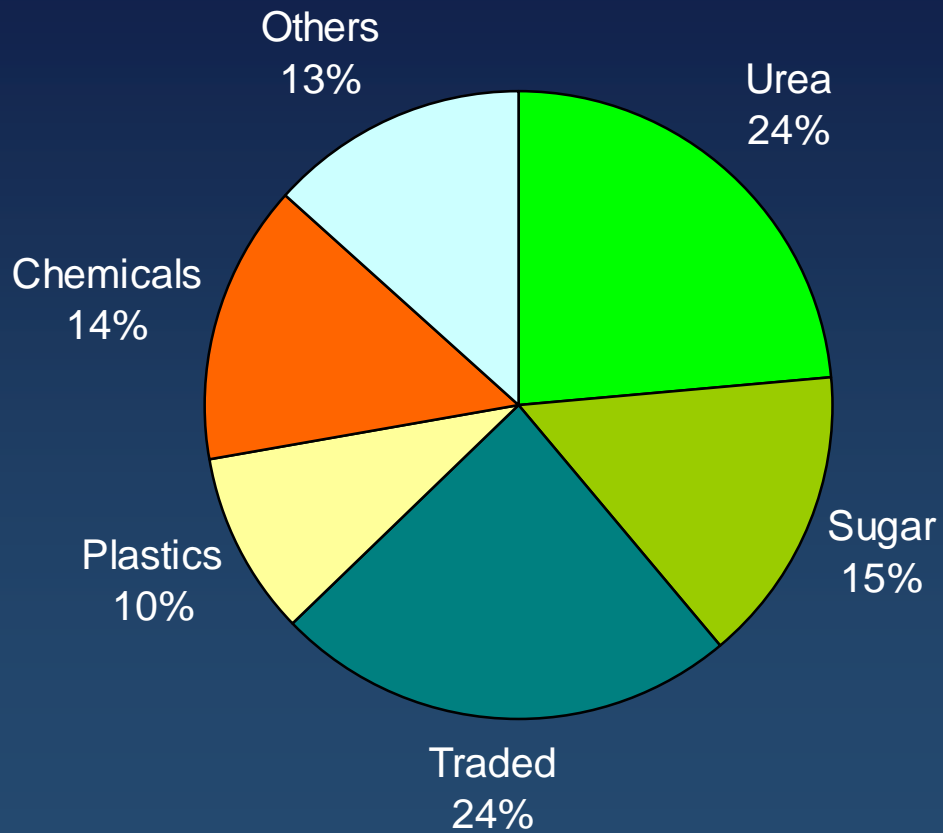


Inside the Hariyali Store

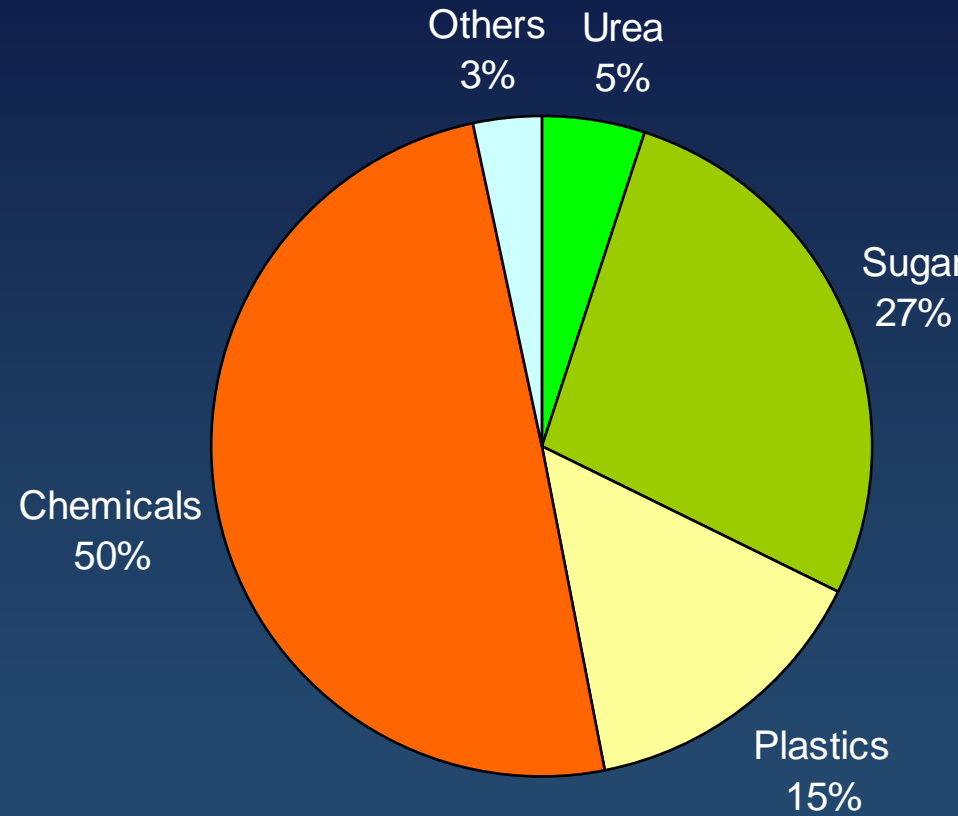
Business mix – FY2006



Gross Sales (Rs 2540 crore)



PBIDT (Rs 295 crore)



Key strengths

Integrated operations

- Operating synergies
- Cross-flow of competencies/ resources
- Leveraging deep rural knowledge

Market positioning

- Strong brand
- Trusted & long term customer relationships
- Extensive distribution network

Organization & processes

- Enabling SBU structure
- Best in class IT infrastructure
- Sound Corporate Governance
- Conservative accounting practices



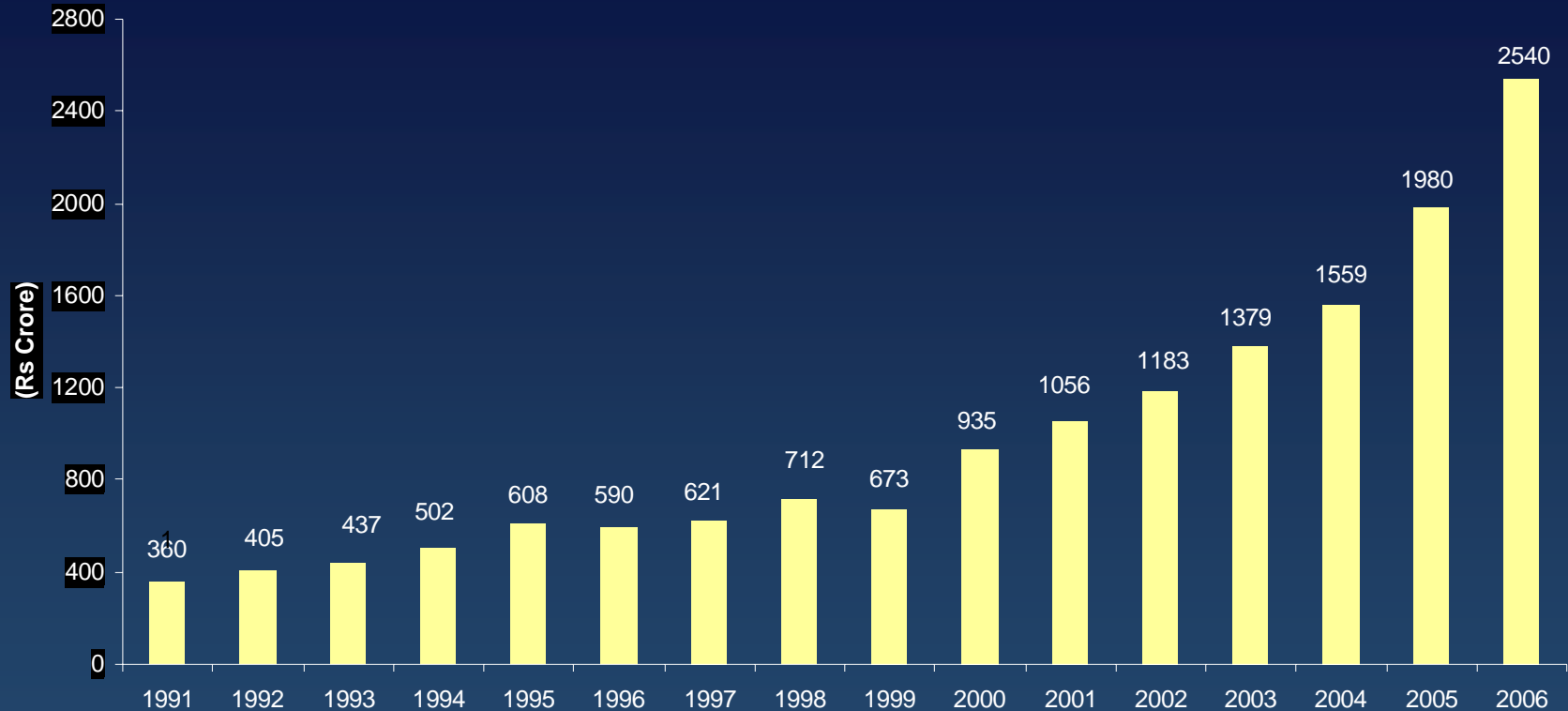
Operating advantages

- Cost competitiveness
- Robust agri portfolio
- Business risk hedge
- Timing growth initiatives with business cycles
- Significant position in Sugar/ Chlor Alkali

Financial position

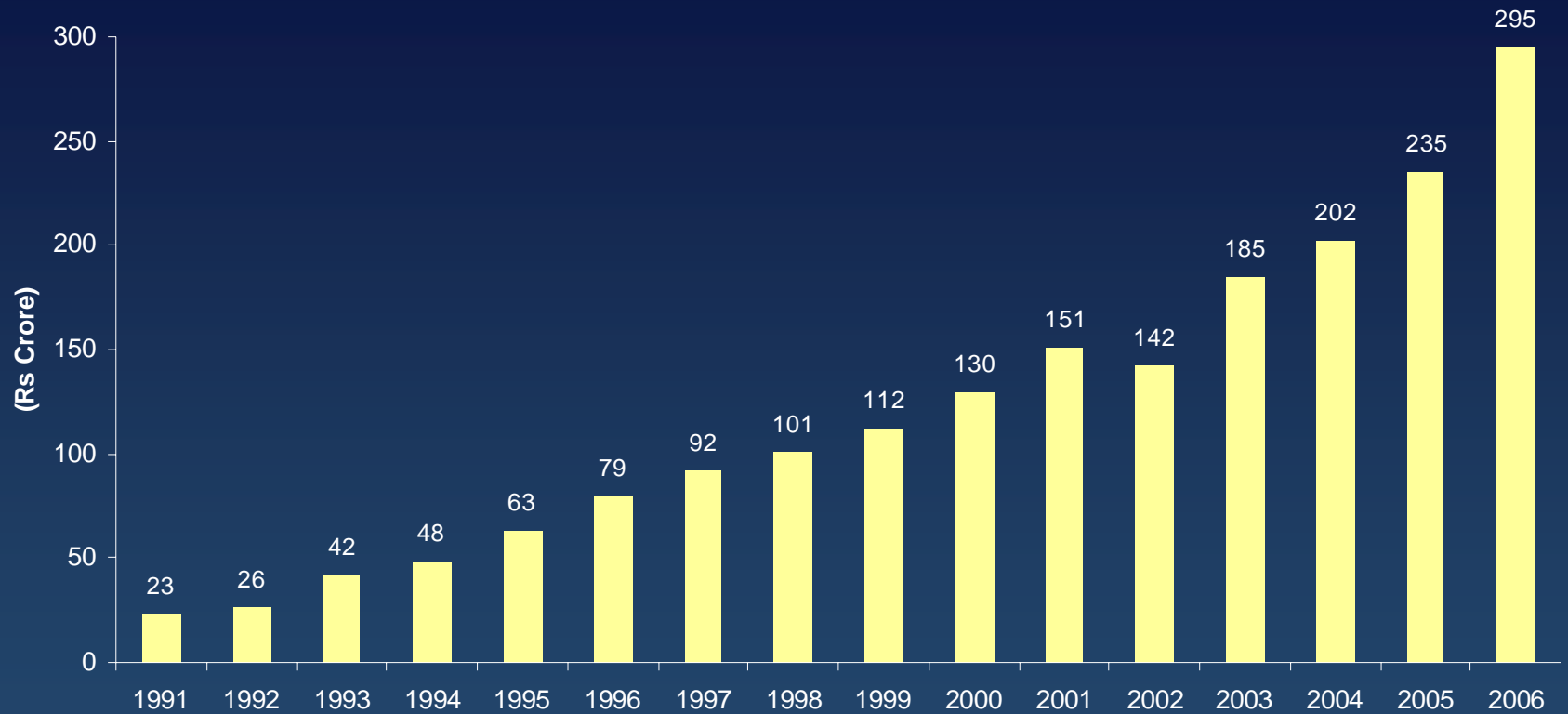
- FY2006 PAT Rs 118 crore
- Book value – Rs 31.67 (F.V. of Rs. 2)
- LT Debt: PBDIT – 2.5
- Consistent growth

Revenues



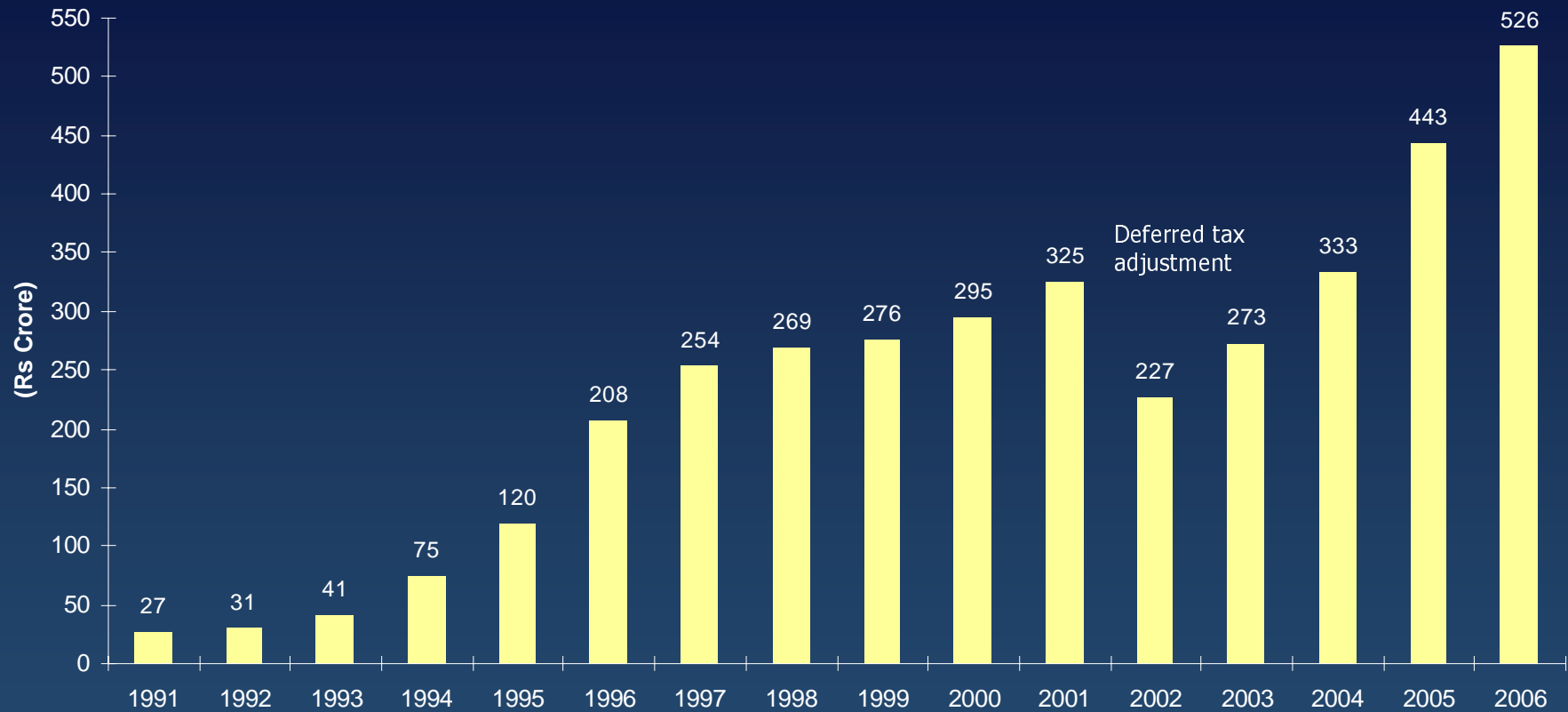
- Revenue growth 7.0x over 15 years
- 15 year CAGR:
 - Total Revenue – 14% p.a.
 - Own Products – 12% p.a.
- Sustained growth through varied business cycles
- Accelerated growth momentum over last 4 years

PBDIT



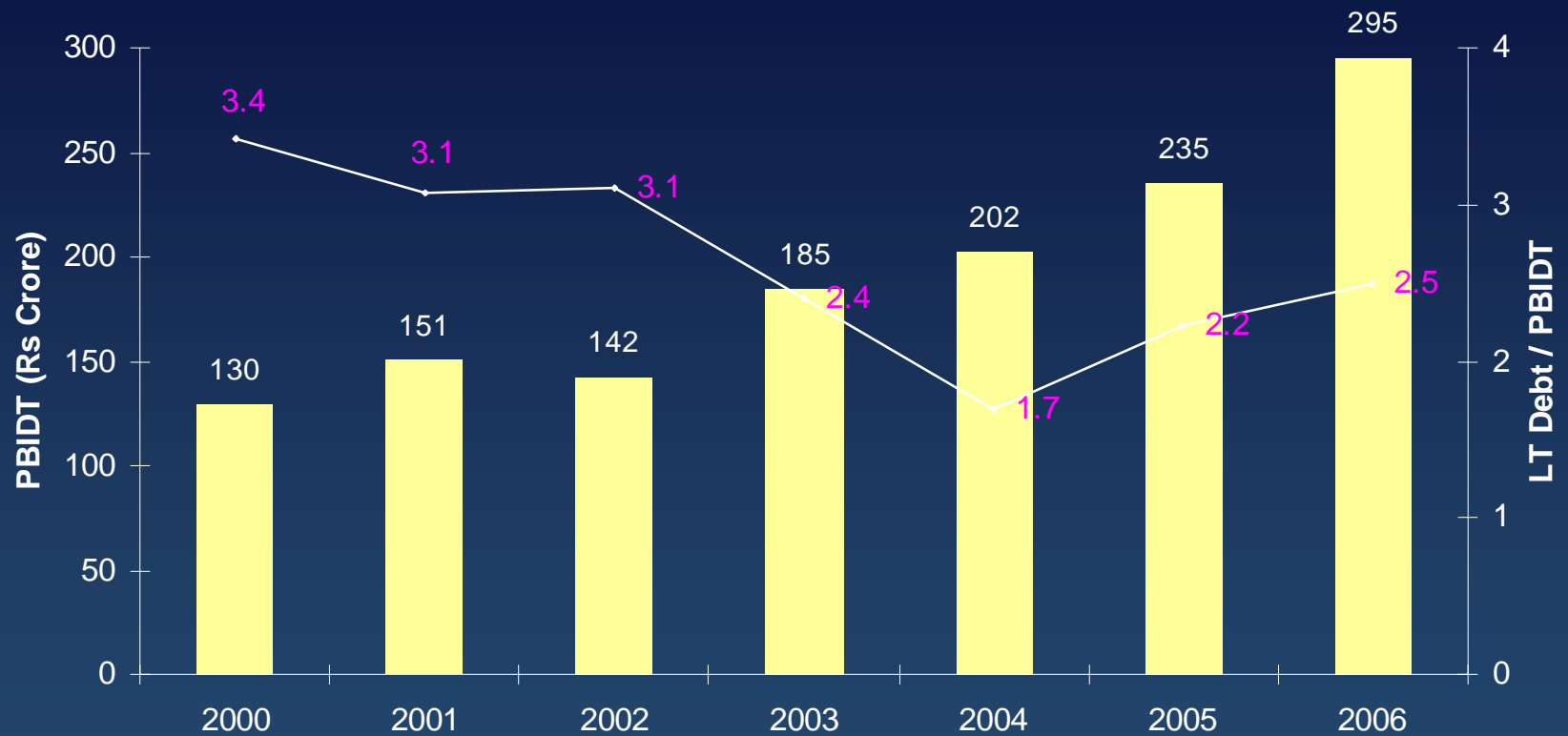
- PBDIT growth 12.5x over 15 years
- 15 year CAGR – 18% p.a.
- Sustained growth through varied business cycles

Networth



- Networth growth 19.5x in 15 years
- Sustained accrual to shareholder value

Gearing Comfort



- Monitor debt versus earnings as primary ratio
 - 2.5 – 2.75 comfort zone
- Progressively reduced this ratio

Strong growth outlook



FY2005 - FY2008

- Expansion completed
 - Enhanced the Chlor-alkali capacity from 1,11,150 TPA to 1,76,250 TPA
 - Captive Power : 85 MW to 125 MW at the Kota facility.
 - PVC Resin : 40,000 TPA to 61,250 TPA.
 - Calcium Carbide Capacity : 66,500 TPA to 1,12,000 TPA
 - Sugar : 11,000 TCD to 14,000 TCD.
 - Increased the HKB from 16 to 28.
- Expansion under Progress
 - Enhance the PVC resin capacity from 61,250 TPA to 70,000 TPA.
 - Enhance the Sugar capacity from 14,000 TCD to 33,000 TCD.
 - Enhance the Co-generation capacity from 24MW to 81 MW.
 - Enhance the number of HKB from 28 to 50.

Longer term

- Secure energy sources/raw material sources
- Grow sugar business as an integrated model
- New business value creation can be substantial
 - Hariyali Kisaan Bazaar
 - Fenesta Window Systems
- Further enhance cost competitiveness of all operations

Thank you



Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. DCM Shriram Consolidated Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.